



**DEPARTMENT OF HEALTH & HUMAN SERVICES**  
**Health Care Financing Administration**

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**Center for Medicaid and State Operations**  
**Family and Children's Health Programs Group**  
**Division of Integrated Health Systems**  
**7500 Security Boulevard**  
**Baltimore, MD 21244-1850**

Mr. Michael Deily, Director  
Division of Health Care Financing  
Utah Department of Health  
288 North 1460 West  
P.O. Box 143101  
Salt Lake City, Utah 84114-3101

Dear Mr. Deily:

I am pleased to inform you that the Centers for Medicare and Medicaid Services (CMS), formerly known as HCFA, is approving Utah's request for renewal of its managed care program known as the "Choice of Health Care Delivery Program," authorized under Section 1915(b) of the Social Security Act (the Act). Specifically, this approval provides for a waiver of the following sections of the Act: 1902(a)(1) Statewideness and 1902(a)(23) Freedom of Choice, to permit Utah to continue to operate this managed care program. The Utah managed care waiver renewal is approved for the 4 counties and programmatic structure it is currently operating and covers a period of 2 years from July 24, 2001, through July 23, 2003.

The decision to approve the waiver renewal is based on evidence submitted to CMS (HCFA) demonstrating that the State's proposal is consistent with the purpose of the Medicaid Program and will meet all statutory and regulatory requirements for assuring beneficiaries access to care, quality of services, and cost effectiveness for Section 1915(b) waiver programs, and will not restrict family planning or emergency services.

Please note that waiver renewal approval is contingent on the following conditions:

1) The state will comprehensively identify, or require the Managed Care Organizations (MCOs) to comprehensively identify, the number of children enrolled in each MCO who are in categories 1, 2, 3, 4, and 5 of the Balanced Budget Act of 1997 (BBA) definition of Children with Special Health Care Needs (CSHCN). These children may be identified either through aid code analysis, or, if necessary, through manual review. The state will submit these data to CMS on an annual basis.

*The Health Care Financing Administration (HCFA) was renamed to the Centers for Medicare & Medicaid Services (CMS). We are exercising fiscal restraint by exhausting our stock of stationery.*

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2) With respect to quality of care, the state will stratify general quality measures such that outcomes for children in categories 1, 2, 3, 4, and 5 of the BBA definition of CSHCN enrolled in the MCOs can be assessed. Or the state may perform a quality study that focuses solely on these children in categories 1, 2, 3, 4, and 5 of the BBA definition who are enrolled in the MCOs. This information will be due to CMS two years from the approval date of this letter.

3) The state will review complaints and grievances and track those cases involving children identified in categories 1, 2, 3, 4, and 5 of the BBA definition of CSHCN enrolled in the MCOs. (A manual review is acceptable.) On an annual basis, the state will report to CMS the number of complaints and grievances for this group, and submit an analysis of the type and number of complaints and grievances filed, and information regarding their resolution.

4) The state will submit to CMS on an annual basis the number of children identified in categories 1, 2, 3, 4, and 5 of the BBA definition of CSHCN who voluntarily disenroll from MCOs into fee-for-service Medicaid or transfer enrollment from one participating MCO to another.

Unless significant problems are identified in the future, the state will not be required to arrange for an independent assessment in its next renewal request. However, the state will continue to be responsible for documenting the cost effectiveness, access, and quality factors in subsequent renewal requests.

If you have any questions regarding this action, please contact Jody Kurtenbach of the CMS Denver Regional Office, Division of Medicaid and State Operations, at 303-844-7039. I wish you much success in your continuing activities in this area.

Sincerely,

Mike Fiore  
Director

cc: Spencer Ericson, Denver Regional Office  
Jody Kurtenbach, Denver Regional Office

